

Message Text

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ACTION EB-08

INFO OCT-01 AF-08 ARA-06 EUR-12 NEA-10 ISO-00 L-03 FRB-03

OMB-01 ITC-01 SP-02 USIA-06 AGRE-00 AID-05 CIAE-00

COME-00 INR-07 IO-13 LAB-04 NSAE-00 OIC-02 SIL-01

STR-04 TRSE-00 CEA-01 /098 W

-----081205Z 070827 /10

R 081008Z MAR 77

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 9246

INFO AMEMBASSY BRASILIA

AMEMBASSY DAR ES SALAAM

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY MAPUTO

AMEMBASSY MEXICO

AMEMBASSY NAIROBI

AMEMBASSY NEW DELHI

AMEMBASSY OTTAWA

AMEMBASSY ROME

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ROME FOR FAO ADVISOR

E. O. 11652: N/A

TAGS: ETRD, FAO, IN, BE

SUBJECT: FAO MEETING ON HARD FIBERS

REF: (A) STATE 45325, (B) ROME 3445

1. ACCORDING TO SURQUIN, THE BELGIAN FOREIGN MINISTRY'S EXPERT ON COMMODITY POLICY, THE BELGIAN DELEGATION AT THE NEW DELHI MEETING NEXT WEEK WILL NOT RPT NOT PLAY AN ACTIVE ROLE.

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2. BELGIUM BELIEVES THAT THE CURRENT PROBLEM CENTERS ON BRAZIL'S ATTEMPT TO FORCE BOTH EUROPEAN PROCESSORS AND, EVENTUALLY, SMALLER, POORER SISAL PRODUCERS OUT OF THE INTERNATIONAL TWINE MARKET. THERE IS NOTHING THAT CONSUMERS CAN DO ABOUT THIS NEXT WEEK, SURQUIN SAID; IN THE CURRENT OVERSUPPLY SITUATION, IT WOULD SEEM TO BE IN MOST PRODUCERS' INTEREST TO FORCE CLOSER SURVEILLANCE OF INDICATIVE PRICE/QUOTA ARRANGEMENTS,

BUT HE DOUBTS THAT THEU WILL BE ABLE TO TAKE THE LEAD.

3. SURQUIN SAID THAT THIS ATTITUDE IS SHARED THROUGHOUT THE EUROPEAN COMMUNITY, AS WITNESS THE EC'S RECENT DUMPING CASE LEVIED AGAINST BRAZIL AND MEXICO. IMPLICIT IN THIS CASE IS THE ASSUMPTION THAT RAW MATERIAL AND TWINE PRICES MUST BE LINKED AND DIFFERENTIATED. BELGIUM SUPPORTS THE FAO'S SUGGESTED US \$200/TON AS A REASONABLE DIFFERENTIAL. BECAUSE OF THE CURRENT "STATE OF ANARCHY" IN THE TWINE AND SISAL MARKET, BELGIUM'S PROCESSING INDUSTRY IS IN SERIOUS DIFFICULTY, AS IS THAT IN OTHER EC COUNTRIES. THE BRAZILIANS' PRESSURE ON THE MARKET COULD EVENTUALLY PROVE TO BE SELF-DEFEATING, HOWEVER, SINCE IT COULD DRIVE EUROPEAN PROCESSORS COMPLETELY INTO PRODUCTION OF SYNTHETIC TWINE, WHERE THEY MIGHT WELL BE MORE COMPETITIVE INTERNATIONALLY.

4. SURQUIN CONCLUDED BY SUGGESTING THAT THE SITUATION IN HARD FIBERS SEEMS RIPE FOR PROMOTION OF AT LEAST A MARKET "UNDERSTANDING" UNDER UNCTAD AUSPICES. HE NOTED THAT THE COMMODITY IS ALREADY UNDER ACTIVE CONSIDERATION AS PART OF HE INTEGRATED PROGRAM AND HAS SEVERAL LEAST-DEVELOPED PRODUCERS. IN SUCH CIRCUMSTANCES, AN INFORMAL AGREEMENT TO IMPROVE THE MARKET'S FUNCTIONING (WITHOUT BUFFER STOCKS OR PRICE-RIGGING) COULD PAY BOTH ECONOMIC AND POLITICAL DIVIDENDS, SURQUIN SAID, PARTICULARLY IN THE ADMITTEDLY UNLIKELY EVENT THAT SYNTHETIC PRODUCERS COULD BE BROUGHT IN AS WELL. HE GAVE AS HIS PERSONAL VIEW THE HOPE THAT THERE WILL BE FURTHER CONSTRUCTIVE THOUGHT ON THIS PROBLEM WITHIN THE USG.RENNER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, TEXTILES, FIBER PLANTS, PRICES
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Sent Date: 08-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRUSSE02184
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770079-0376
Format: TEL
From: BRUSSELS
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770384/aaaacvostel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 45325, 77 ROME 3445
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3181555
Secure: OPEN
Status: NATIVE
Subject: FAO MEETING ON HARD FIBERS
TAGS: ETRD, IN, BE, FAO
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/d63dfcbb-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009